GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:649
ANSWERED ON:03.12.2004
PRODUCTION OF COTTON
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Will the Minister of TEXTILES be pleased to state:

(a) whether the Indian industry is losing its credibility in the world market in respect of cotton;

(b) if so, the reasons therefor;

(c) whether the Government has decided to take positive steps for promoting the production of high quality cotton and its export at an international competitive price;

(d) if so, the details thereof;

(e) whether the restrictions imposed on the fund meant for the development of industry under the upgradation fund for textiles has been removed; and

(f) if so, the details thereof and if not, the reasons therefor?

Answer

MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA)

(a) & (b): No. The Indian Industry is not losing its credibility in the world market in respect of raw cotton During the previous cotton season 2003-04, India has exported 13.25 lakh bales of raw cotton. For the current cotton year 2004-05, export of raw cotton is projected at 12 lakh bales. Further, India is a leading exporter of cotton yarn.

(c) & (d): The Government of India had already launched Technology Mission on Cotton (TMC) in February 2000 in the course of 9th Five Year Plan, with the objective of improvement in the production, productivity and quality of cotton and reduction in cost of cultivation, in order to provide abundant supply of good quality cotton at competitive prices to the textile industry and a remunerative return to the farmer. The TMC scheme has been continued during the 10th Five Year Plan i.e upto 2006-07.

(e)& (f): Technology Upgradation Fund Scheme (TUFS) is a dynamic scheme and relaxation of norms are made in the scheme on a continuing basis based on the feedback from the Industry. Some of the major relaxations made during the recent past by the Government having special bearing on cotton textile industry are as under:-

(i) The Minimum Economic Size (MES) for existing spinning units under cotton ring spinning system has been reduced to 8000 spindles from 12000 spindles. MES for new spinning units has been reduced to 12000 spindles from 25000 spindles.

(ii) Existing knitting, garmenting and power loom units are also permitted to set up new spinning units with minimum 8000 spindles for captive yarn requirement as backward integration yarns.

(iii) Minimum width stipulation for all type of looms under TUFs has been waived off.

(iv) Downstream Value Addition Stipulation for new spinning mills as well as expansion of existing spinning mills under the scheme has been done away with.

(v) Small scale powerloom units have been provided with an additional option of credit linked capital subsidy of 20% of the cost of machinery admissible under the scheme upto a cost of Rs. 60 lakh in eligible machinery.

(vi) The stipulation that prior approval of Ministry of Textiles should be obtained before release of interest reimbursement on wind energy plants installed under the scheme has been done away with.

(vii) The TUF scheme has been extended upto 31st March, 2007.